

EXHIBIT A.631



1 D F
6 8 8 / 0 0 1 0
7 APRIL 2002



PALESTINIAN
AUTHORITY
CAPTURED
DOCUMENTS
MAIN IMPLICATIONS

I D F
7 April 2002
TR2-255-02

Palestinian Authority Captured Documents

Main Implications

Abstract

Documents captured by the IDF during Operation *Defensive Wall* provide evidence of the role of Arafat and Palestinian Authority (PA) apparatuses in the **systematic, institutionalized and ongoing financing of the Fatah, Tanzim and Al Aqsa Brigades terrorist infrastructures and activists**. The picture which emerges from the captured documents is that large sums of money are transferred on a monthly basis in order to finance terrorist infrastructures, whereas the civilian infrastructures of the PA (which depend on financial grants of the Arab World and European Union) are collapsing, and the Palestinian people is suffering from poverty and distress.

Situation picture

1. **New captured documents**, in addition to those already published, demonstrate the method used for the allocation of funds to terrorist infrastructures and activists, with the personal approval of Arafat and the implementation of the PA apparatuses.
2. **The main characteristics** of the funding method, based on the captured documents, are:
 - a. **Arafat's personal involvement**. Arafat personally, and with his signature, controls the allocation of funds, including **even** small sums of money (to junior field echelons). Thus, Arafat does not only serve as the head of a political entity which engages in "state" affairs

688/0010

regarding the PA as a whole, but in practice he is also the leader of a terrorist gang which deals with minor details such as the allocation of a few hundred dollars to a single terrorist.

- b. Arafat is assisted by the PA apparatuses and his personal associates in the transfer of the money. After he approves the sums of money, Arafat is assisted by the PA's "Finance Ministry". In other words, the PA's "civilian" apparatuses are involved in the transfer of funds to terrorist activists, from the senior level down to the junior level. In addition, Arafat is helped by his confidante, Fuad Shubaki_ (who was also involved in the purchase of the *Karine-A* arms ship).
- c. There is a type of index for the allocation of funds: A junior terrorist receives between \$300-350; more senior commanders (regional terror infrastructure commanders) receive \$600; families of commanders who have been killed receive \$800 per family (a one-off payment, in addition to regular assistance); and greater funds (\$80,000) are allocated for larger "projects" such as the construction of a workshop for heavy arms production.
- d. The "intermediaries", Fatah/Tanzim senior activists, serve as mediators between Arafat and the terror infrastructures in the field. Arafat does not hold direct contacts with the heads of the terror cells and the terrorist apparatuses. Instead he uses "intermediaries". The captured documents mention Marwan Barghouti (the head of Fatah/Tanzim in the West Bank), Hussein Al Sheikh (a Fatah senior activist in the West Bank), Kamal Hamid (secretary of the Fatah branch in the Bethlehem district) and Fuad Shubaki (head of the financial directorate of the General Security Apparatus and Arafat's confidante).

688/0010

- e. Arafat allocates funds to all the names recommended by the "intermediaries", without interfering in their considerations.

The names transferred to Arafat include prominent terrorist commanders alongside junior activists, terrorist activists alongside political activists, well behaved activists alongside law breakers who abuse the civilian population. Every name automatically "passes" through Arafat and until now, we have not encountered one reservation on his part. The only **consideration** which Arafat **always** makes is with regard to the **scope** of the payment – Arafat usually drastically "cuts" the requested sums.

- f. Two heads of regional terror networks received financial allocations from Arafat. Amongst the dozens of names for which Arafat endorsed the transfer to money, **two figures stand out** – heads of regional terror networks – **Atef Abiat**, who prior to his death led the main Fatah terror networks in the Bethlehem district (see Appendix C); **Ra'ed Karmi**, who until his death led the Fatah/Tanzim terrorist infrastructure in the Tulkarm district.

- g. In addition to the allocation of money by Arafat, the terrorist infrastructure activists receive regular payments for their activities from Fatah/Tanzim local and regional commanders. For example, according to one of the captured documents, Fatah/Tanzim terrorist infrastructure activists in the Tulkarm district receive regular funding for their activities from the **Tanzim commander** in the district; for example, **Marwan Barghouti** distributes, according to the same document, sums of money to terror activists in Tulkarm, in order to strengthen his control and "encourage" them to escalate the attacks.

3. This financial system is the **fuel which energizes** the terror infrastructure engines of the Fatah/Tanzim and Al Aqsa Brigades, without which they

688/0010

would find difficulty in operating effectively and continuously. The "financial weapon" is an **important means** in the hands of **Arafat himself** as well as in the hands of the heads of the various terror apparatuses, to enforce their control over the men in the "field" (some of the sums of money which are transferred to the "field" for the perpetration of terrorist attacks "seep" into their pockets).

4. Concern for terror and not for the welfare of the Palestinian population: The captured documents do not uncover the complete scope of the financing of the terror infrastructures and activists, since they refer only to specific areas (Tulkarm, Qalqilya) or certain bodies (the Al Aqsa Brigades). However they constitute a clear indication that each month, Arafat distributes, through the PA "Finance Ministry" and via Fuad Shubaki, large sums of money for the funding of the terror infrastructures. All this while the PA depends on foreign sources (the European Union, Arab States) for its budget, its apparatuses suffer from a severe financial predicament, and the whole Palestinian people suffer from poverty and shortages.
5. It is **emphasized** that the PA depends on significant economic aid for its continuing existence, and mainly for the payment of monthly salaries. The aid is provided by Arab and EU states through a "special fund" The EU transfers to the PA a sum of approx. 10 million euros each month. The captured documents prove that the PA is making cynical and bad use of this financial aid, and instead of channeling it to the needs of its citizens and for the maintenance of the administration and public order, the PA uses some of the money in order to finance terrorist activities (in order to cover this up, it transmits false reports to the supervising funds regarding an exaggerated quantity of employees; or maneuvers the currency rate and "overcharges" approx. 20% of the exchange value).

688/0010

6. The following appendices are attached:

- a. **Appendix A** – A document dated 9 July 2001 in which Arafat approves (with his signature) the allocation of money to 24 Fatah activists in the Bethlehem district, the most prominent of which is Atef Abiat.
- b. **Appendix B** – A document dated 7 November 2001 in which Arafat approves (with his signature) the allocation of money to 9 families of Fatah commanders in the Bethlehem district, who were killed in clashes with IDF forces in Bet Jala, including the family of Atef Abiat.
- c. **Appendix C** – The characteristics of the activity of Atef Abiat, a senior terrorist from the Bethlehem district, who received money allocation from Arafat when he was alive and also after he was killed.
- d. **Appendix D** – A table summarizing the findings from the captured documents until now regarding the distribution of money to terror infrastructures and activists.

688/0010

Appendix A
Translation of Captured Document

9.7.2001
Time 1041

The Palestinian National Liberation Movement
"Fatah"
Bethlehem District Branch

The Honorable Brother President Arafat, May God protect you
With the blessings of the homeland

We request that you allocate financial aid of a sum of \$2000 to each one of the following names since these brothers are not members of the movement in the district and they require help:

- | | |
|---------------------------|------------------------------------|
| 1. Uni Al-Mishni | 13. Fa'ez Jabara |
| 2. Samir Ateh | 14. Majdi Al Matri (?) |
| 3. Khula Al-Azraq | 15. Musa Hassan (?) Al Sa'ar |
| 4. Nasri Muhammad Al-Zir | 16. Alaa Nabil Muhammad. |
| 5. Marwan Usi | 17. Aref Darwish |
| 6. Khadr Khadr | 18. Nasr Al Aroub |
| 7. Adel Abdallah | 19. Samikh Khalil Abu Al-Khour (?) |
| 8. Muhammad Ali Rasha'ida | 20. Khaled Al Aroub |
| 9. Nafez Al Rifa'I | 21. Mousa Rahel |
| 10. Daud Ibrahim Nasur | 22. Muhammad Khalil Al-Lacham |
| 11. Ra'ed (?) Khalil | 23. Ibrahim Muhammad Farhan |
| 12. Di'ab Muhammad Hassan | 24. Atef Abiat |

The matter is (for the treatment) of your honor
Together all of us until Jerusalem

In handwriting: Fatah file.

688/0010

Kamal Hamid (Fatah secretary in Bethlehem)
Signature

Notes in Arafat's handwriting and signature

1. The number 2000 written in the middle of the text by Kamal Hamid is erased and above it is written in Arafat's handwriting "\$300 to each one".
2. Arafat added to the text in his handwriting and with his signature the following instruction:

The brothers

Finance Ministry/Ramallah

To allocate (\$300 to each)

(Arafat's signature)

12/8/2001 (Note: Arafat's approval given about one month after the request

Note: Amongst the names to which Arafat approved the allocation of money, the name of Atef Abiat stands out. He used to be head of the main Fatah terror network in Bethlehem. His terrorist background is detailed in Appendix C.

688/0010

Appendix B
Translation of Captured Document

The Palestinian National Liberation Movement
"Fatah"
Bethlehem District Branch

07.11.01

The Honorable Brother President Commander Arafat, May God protect you
With the blessings of Al Aqsa

We request the decision of your honor regarding the urgent allocation of aid of a sum of 3,000 (\$3,000) (to each) of the families of the brothers, the commanders, the martyrs, members of the movement who fell in the battle for the defense of Bet Jala, Bethlehem, Al Gaza and Ayida, and in order to pay some of their debts.

1. The brother the martyr Atef Ahmad Salam Abiat
2. The brother the martyr Isa Hassan Al Khatib
3. The brother the martyr Jamal Abdallah
4. The brother the martyr Mahmud Yousef Al Maghrabi
5. The brother the martyr Muhammad Jabran Abiat
6. The brother the martyr Isa Fuzi Abu Khalil
7. The brother the martyr Wa'al Dif'allah Ismail
8. The brother the martyr Yousef Abu Suwi
9. The brother the martyr Hassan Abu Shaya

The matter is (for the treatment) of your honor
Together all of us until Jerusalem
Your son,
Kamal Hamid
Branch General Secretary

Comment in Yasser Arafat's handwriting and signature

Finance Ministry/Ramallah

\$800 should be allocated to each one of them

(Arafat's signature)

688/0010

Notes:

Amongst the name of the martyrs stand out:

1. Atef Abiat – head of the main Fatah terror network in Tulkarm (see Appendix C for his terrorist background).
2. Hassan Abu Sha'irah, carried out shooting attacks. He was involved in the murder of Lt. Colonel Yehuda Edri on 14 June 2001, and was killed during the event.

Appendix C

Atef Abiat (Abu Jal'if)

The man who was the prime mover behind the terrorist activities in the Bethlehem District

1. Atef Abiat was a senior Fatah operational activist in Bethlehem, and until his death (on 18 October 2001), headed the main terror cell in the district.
2. In he captured documents, his name is mentioned in the list of 24 Fatah activists to whom Arafat distributed (through the Fatah branch secretary in Bethlehem) \$300 to each activist. His name is also included in the list of 9 families of Fatah martyr commanders to whom Arafat allocated financial aid of \$800 per family.
3. The cell headed by Atef Abiat carried out under his leadership shooting attacks, explosive charge attacks and mortar bomb firing towards the Gilo suburb of Jerusalem and towards IDF troops. 2 IDF soldiers were killed and over 10 Israeli civilians were wounded in these attacks. Abiat was also personally involved in the murder of Palestinian collaborators in the Bethlehem district.
4. Atef Abiat was involved in the following major terrorist attacks:
 - a. 2 April 2001 - Shooting attack in which one IDF soldier was killed.
 - b. 21 May 2001 - Gilo Neighborhood - Shooting - 6 Israeli civilians wounded.
 - c. 14 June 2001 - Murder of Lt. Colonel Yehuda Edri in the Jerusalem - Etzion area Tunnel Road.
 - d. 18 July 2001 - 2 mortar bombs fired at Gilo.
 - e. 28-29 August 2001 - 7 mortar bombs fired at Gilo.
5. As a result of Atef's large scale terrorist activity, Israel requested that the PA arrest him (on 12 November 2000 and again on 30 September 2001). Not only did the PA not arrest him, but it transpires from the captured documents, that Arafat authorized by his signature the allocation of money to him, together with additional Fatah activists.

Appendix D

Financing of Fatah/Tanzim and Al Aqsa Brigades Infrastructures and Activities by Arafat and his Aides

(Summary of Captured Documents)

| Ser. No. | Date | The Requester | Nature of the Request | The Approving Element | The Sum Approved |
|----------|-----------|--|--|---|---|
| 1 | 9.7.2001 | Kamal Hamid, Fatah Bethlehem branch secretary | Allocation of \$2000 to each person on the list of 24 Fatah members in the Bethlehem district. The name of Atef Abiat is prominent in this list - until his death he headed the main terror cell in the sector which perpetrated terrorist attacks in which Israelis were killed and wounded. | Yasser Arafat with his personal signature. | \$350 for each of the 24 members. |
| 2 | 16.9.2001 | An element in the "Al Aqsa Martyrs Brigades" (his name does not appear in the document). | Allocation of 38,000 shekels for current expenses for tending to families of martyrs, acquisition of electrical components and chemical materials for production of explosive charges and bombs (5-9 charges per week); procurement of Kalashnikov and M-16 bullets. | The request is being handled by Fuad Shubaki, head of financial directorate of the "General Security Apparatus" and Arafat's confidante. It can be assumed that Arafat personally approved the allocation of the sum. | According to Shubaki's calculations, the real cost of these requests varies between 110,000-150,000 shehels. It can be assumed that a sum of such scope was approved by Arafat. |

| | | | | | |
|---|-----------|--|--|--|---|
| 3 | 19.9.2001 | Hussein Al-Sheikh, a senior Fatah official in the West Bank. | Allocation of \$2,500 to 3 Fatah/Tanzim senior commanders involved in many lethal attacks, including the killing attack in the Bat-Mitzvah party in Hadera. | Yasser Arafat (in his personal signature). | \$600 for each commander. |
| 4 | 7.11.2001 | Kamal Hamid, Fatah Bethlehem branch secretary | Allocation of urgent aid of \$3,000 for each of the 9 families of martyr commanders killed in the battle in Bet Jala. The name of Atef Abiat stands out in the list. | Yasser Arafat (in his personal signature). | \$800 for each family |
| 5 | 20.1.2001 | Marwan Barghouti, head of the Fatah/Tanzim in the West Bank. | Allocation of urgent financial aid for 12 Fatah/Tanzim terror infrastructure activists in Tulkarm who were involved in lethal attacks. The request was in continuation to an inquiry by Ra'ed Karmi, head of the Fatah/Tanzim terror infrastructure in Tulkarm. | Yasser Arafat (in his personal signature). | \$350 to each of the terror infrastructure activists. |
| 6 | (?) | An element in the "Al Aqsa Martyrs Brigades" (his name does not appear in the document). | Allocation of \$80,000 for construction of a heavy arms production workshop (including a lathe, a milling machine and equipment required for metal processing in the production process of weapons such as rockets and mortars). In addition, allocation of \$16,600 for the regular operation of the workshop (salaries, rent, electricity and raw materials) | Fuad Shubaki is dealing with the request. It can be assumed that Arafat personally approved allocation of the sum. | It can be assumed that the request was approved by Arafat. |
| 7 | (?) | (?) | Assistance in the acquisition of M-16 rifles for the Fatah/Tanzim terror infrastructure in Tulkarm. | Yasser Arafat | Arafat approved financial aid (to cover the costs of buying the rifles) |